

PUBLIC DISCLOSURE

JANUARY 9, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

PRESSERS CREDIT UNION

33 HARRISON AVE.
BOSTON, MA. 02111

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Pressers Credit Union** prepared by the Massachusetts Division of Banks, the institution's supervisory agency as of January 9, 2001.

The following is a summary of the Performance Tests for the period January 1, 1999 through December 31, 2000.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"

This examination was conducted utilizing the three non-geographic performance criteria applicable to industrial institutions: 1) Average Loan to Deposit (Share) Ratio, 2) Lending to Borrowers of Different Incomes; and 3) Fair Lending.

The credit union's lending activity has fluctuated during the current exam period. The credit union's loan to deposit (share) ratio has moved from a high of 33.8 % in December, 1999 to a low of 15.4 % as of June 30, 2000, with an average ratio of 25.0%. Given its limited asset size, however, the credit union was found to meet satisfactory performance standards in this regard. The credit union was found to have a good distribution of loans to borrowers of different income levels and was accorded a rating of satisfactory in this category. Fair Lending performance was also found to be satisfactory.

PERFORMANCE CONTEXT

Description of Institution

Pressers Credit Union is a state-chartered institution headquartered in Boston, Massachusetts. Its main office is located at 33 Harrison Avenue, in the Chinatown section of Boston. As of the date of its last NCUA call report, June 30, 2000, it had assets of \$70,110.

As of June 30, 2000, gross loans totaled \$10,753 or 15.34 % of assets. The credit union is a consumer lender with 100% of its loan portfolio representing consumer loans. The credit union exclusively offers personal unsecured loans with a maximum loan amount of \$5,000; or a loan of \$5,000 above the shareholders balance. Loans are offered at 13.75% and require a balance of at least \$5.00 for every \$100 borrowed.

The credit union's hours are considered convenient and accessible to its members.

The credit union was last examined for compliance with the Community Reinvestment Act by the Division of Banks on May 4, 1998, and was rated satisfactory.

Description of Assessment Area (Membership)

According to the Massachusetts Community Reinvestment Act Regulation, 209 CMR 46.41, a credit union whose membership is not based on residence may identify its membership as its assessment area.

Pressers' Credit Union has defined its assessment area as the membership of the Local 12 International Lady Garment Workers and the Union of Needletrades, Industrial, and Textile Employees (U.N.I.T.E). Credit is extended to members and their extended families. The location of the credit union places it within the Boston Metropolitan Statistical Area (MSA).

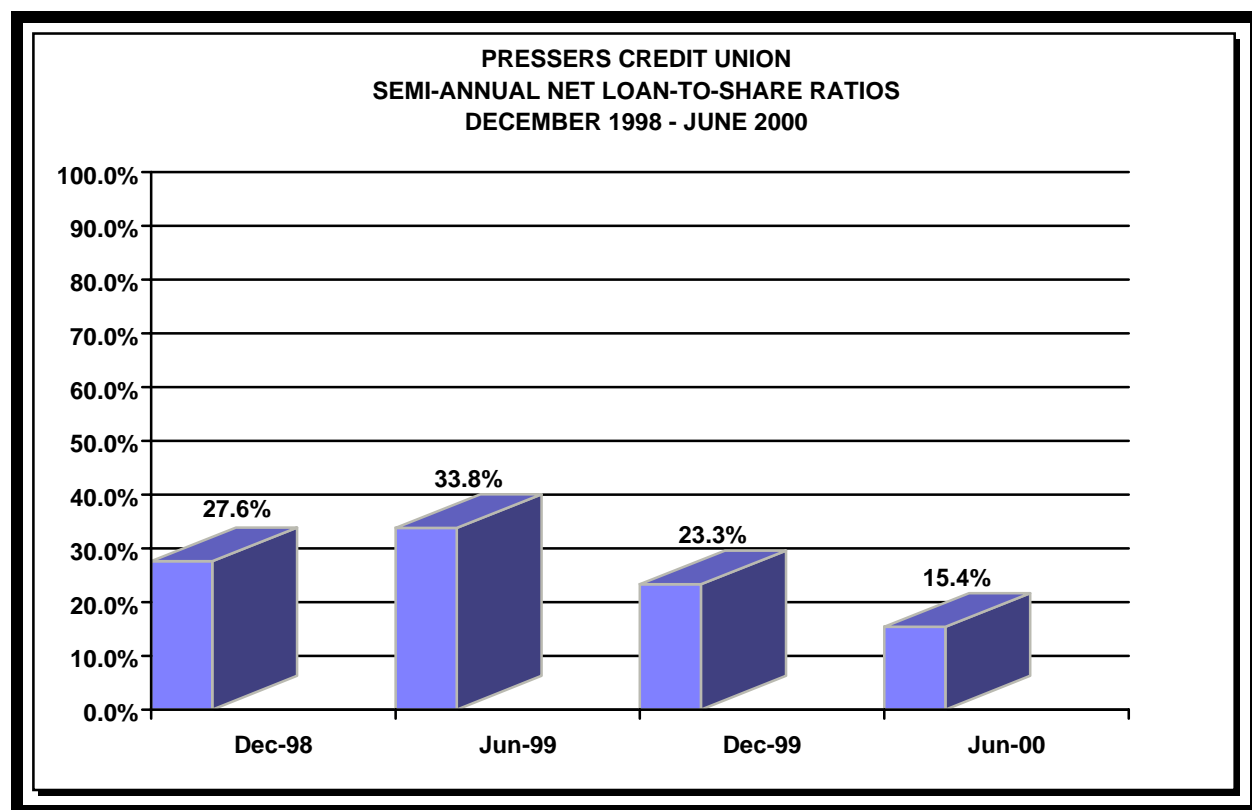
PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT (SHARE) ANALYSIS

An analysis of Pressers Credit Union's net loan to deposit (share) ratio was performed during the examination. The calculation incorporated two years of the credit union's net loan to total deposit (share) figures utilizing the NCUA (National Credit Union Association) call reports. This review included the quarters ending December 31, 1998, through June 30, 2000.

The institution's average net loan-to-deposit (share) ratio during this period was determined to be 25.0%. As stated above, the most recent loan to deposit (share) ratio stands at 15.4 %. The relatively low ratios appear to be the result of the small asset size of the credit union, in combination with a loan policy, which restricts loans to \$5,000 or \$5,000 above the borrower's share balance. The low level of loans is also the result of the credit union's conservative business strategy.

The following graph illustrates the loan to share trends.



Source: NCUA Call Report

Although the decrease in loans during the last six months is notable, given the credit union's extremely small size and lack of resources the credit union's loan to deposit (share) performance is determined to be satisfactory.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA.

Under the Massachusetts CRA Regulations 209 CMR, section 46.41, a credit union whose membership by-law provisions are not based on residence, such as Pressers Credit Union, may define its assessment area as its membership. Because a membership defined assessment area does not consider any fixed limits on geography, an analysis involving geography is not meaningful.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

An analysis was conducted of consumer loans extended to borrowers of different income levels. Originations were categorized by the ratio of the applicant's reported income to the 1999 and 2000 estimated median family incomes of the Boston Metropolitan Statistical Area (MSA). The median family incomes for the Boston MSA were \$62,700 for 1999 and \$65,500 for 2000. Income figures were based on estimated 1999 and 2000 data from the Department of Housing and Urban Development (HUD).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate income is defined as income between 50 to 79 percent of the median family income level for the MSA. Middle income is defined as income between 80 and 119 percent of the median family income level for the MSA. Upper income is defined as income greater than 120 percent of the median family income level for the MSA.

Pressers Credit Union made a total of 13 loans during 1999 and 5 loans during the Year 2000 for a total of 18 loans with a combined value of \$32,000. The information included in the table below indicates that the highest number of loan originations or 44.5% was granted to low-income members. Also, of the total consumer loans originated during the exam period, 22.2% were granted to moderate-income members. Refer to the following tables.

LOAN ORIGINATIONS BY INCOME OF BORROWER BY NUMBER

% OF MEDIAN MSA INCOME	1999		2000		TOTAL	
	#	%	#	%	#	%
Less than 50%	7	54.0	1	20.0	8	44.5
50% - 79%	1	7.6	3	60.0	4	22.2
80%-119%	4	30.8	1	20.0	5	27.8
120% and over	1	7.6	0	0	1	5.5
TOTAL	13	100%	5	100%	18	100%

Source: in-house credit union records

**LOAN ORIGINATIONS BY INCOME OF BORROWER
BY DOLLAR AMOUNT**

% OF MEDIAN MSA INCOME	1999		2000		TOTAL	
	\$(000)	%	\$(000)	%	\$(000)	%
Less than 50%	12	60.0	2	16.7	14	43.8
50% - 79%	2	10.0	6	50.0	8	25.0
80%-119%	4	20.0	4	33.3	8	25.0
120% and over	2	10.0	0	0.0	2	6.2
TOTAL	20	100%	12	100%	32	100%

Source: In-house credit union records

It should be noted that most consumer loans are applied for on an individual basis, and therefore the income considered is individual income; however, the above analysis utilizes median family income for comparison purposes, which may have the effect of skewing or overstating the percentage of loans to low to moderate-income borrowers.

The above data indicates that the credit union has a good penetration of loans among members of different income levels, especially those of low and moderate-income. Therefore this criterion meets the standards for satisfactory performance.

4. GEOGRAPHIC DISTRIBUTION OF LOAN

The Massachusetts CRA regulation 209 CMR 46.00, allows a credit union whose membership by-laws provisions are not based on residence to designate its membership as its assessment area. Therefore, since Pressers Credit Union has defined its assessment area as its membership, as opposed to a geographical area, an evaluation of credit extended within defined geographic areas was not conducted.

5. REVIEW OF COMPLAINTS/FAIR LENDING

Pressers Credit Union has not received any complaints related to its CRA performance since the previous examination. However, the Credit union has procedures in place should any consumer complaints related to CRA be received.

FAIR LENDING POLICIES AND PRACTICES

The credit union's small size and limited resources limit the extent to which it can meet the requirements of the Division of Bank's Regulatory Bulletin 2.3-101. The credit union's staff training is adequate. However, outreach, marketing, credit products and underwriting standards are directly affected by resources and limited product offerings. The institution has developed a second review process in which all loans considered for denial are referred to the Credit Committee by the loan officer prior to issuing a written notice of denial. Based on the foregoing information, the credit union meets the standards for satisfactory performance in this category.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

PRESSERS CREDIT UNION

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **JANUARY 9, 2001**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 _____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.